REMARKS

Reconsideration and allowance in view of the following remarks are respectfully requested. Upon entry of this Amendment, claims 1-21, 23-26 will be pending.

In Section 4 of the Office Action, dated April 3, 2003, the Examiner rejected claims 1-21, 23-26 under 35 U.S.C. §103(a) as being unpatentable over Arai (Unexamined Japanese Patent No. 8-249530) in view of Vazvan (WO 97/45814) and O'Mahony et al., "Electronic Payment Systems". The combination of Arai, Vazvan, and O'Mahony fails to teach or suggest all the features recited in rejected claims.

According to claim 1, the claimed invention relates to a financial transaction method between a client and a terminal, wherein the terminal is connected to a service center. A client uses a mobile radio telephone to communicate with the terminal. The customer's identification element in the mobile radio telephone and the terminal communicate via a contactless interface. The terminal checks the authorization of the customer *__before__* a transaction document is transmitted to the service center via a public switched telephone network. The transaction document is sent to the service center *__only when__* the identification element of the customer is successfully verified. Therefore, in our invention, the authorization takes place before the terminal makes contact with the service center. According to the amended claim 1, the communication between the terminal and the service center does not occur unless the check of the authorization of the customer is successful. The authorization check is performed using authorization data stored in the terminal and such authorization data can be updated via the public switched telephone network.

According to claim 1, the mobile radio telephone includes a removable identification module storing a customer identification and monetary amount which can be reloaded. When a client sends customer identification to the terminal to initiate a transaction, the

identification module of the client's mobile radio telephone transmits an electronic transaction amount to the terminal and the stored monetary amount is charged by a transaction amount, both before a product is delivered. A transaction document is sent to the service center after the client's stored monetary amount is charged. After the transaction document is received, the service center pays an account corresponding to the terminal the transaction amount.

Arai teaches an automatic vending machine system designed so that an automatic vending machine can communicate with a mobile radio telephone. According to Arai, a mobile radio telephone can transmit call originating source identification information and product identification information to an automatic vending machine. The automatic vending machine then ejects or **_delivers a product_** corresponding to the received desired product identification information **_before a payment_** is made for the product. The automatic vending machine then transmits the price information related to the ejected product as well as the received call originating source identification information to a charge collection system. The charge collection system then collects corresponding cost of the delivered product from a client identified by the call originating source identification information. That is, Arai teaches a **_post-payment system_** wherein cost of a product is collected from a client after the product is delivered. In addition, Arai teaches the use of a **_charge collection system_** to perform monetary collection from a client.

However, the claim invention describes a **_pre-payment system_** in which a pre-paid monetary amount stored in client's identification module is **_charged before_** the **_delivery_** of a product is accomplished. In addition, according to the claimed invention, a payment is made to an account corresponding to the terminal after the service center receives a transaction document. That is, there is **_no charge collection system_** to perform the cost collection after a product is delivered.

Therefore, Arai does not disclose a method in which a mobile radio telephone stores a pre-paid monetary amount, the mobile radio telephone transmits a transaction amount to a vending machine, the pre-paid monetary amount is charged a transaction amount prior to receiving a product, and an account associated with a vending machine that delivers a product is credited without having to collect money after product delivery.

Vazvan does not remedy the deficiencies. Applicants respectfully submit that Vazvan merely teaches a mobile radio telephone to be used as a wallet to perform transactions including recharging the wallet and communicating with a seller's POS for purchases. Although Vazvan teaches a pre-payment system, Vazvan fails to disclose, teach, or fairly suggest a transaction method between a customer and a terminal connecting to a service center, where the terminal checks, *prior to* sending a transaction voucher to the server, the authorization of the customer by communicating with the customer via a contact-free interface. The terminal transmits a transaction document to the service center *only when* the authorization of the customer is successfully performed. In addition, as correctly pointed out by the Examiner, Vazvan does not teach a transaction method where a SIM card is used to connect to a mobile radio telephone. Therefore, the combination of Arai and Vazvan does not disclose, teach, or suggest the features recited in claim 1.

O'Mahony et al. do not remedy the discussed deficiencies. In describing various electronic payment systems, O'Mahony et al. disclose that information (e.g., a voucher) transmitted between two entities may be selectively encoded within a same data transmission. That is, some pieces of information may be encoded and some may not. O'Mahony et al. do not disclose, in view of Arai and Vazvan, a transaction method between a customer and a terminal connecting to a service center, where the transaction method corresponds to a *pre-payment system* in which the terminal checks, *prior to* sending a transaction document to the service center, the authorization of the customer by communicating with the customer via a

contact-free interface and the transaction document is transmitted to the service center _only_ _when_ the customer is successfully authorized.

Therefore, the combination of Arai, Vazvan, and O'Mahony et al. fails to disclose, teach, or suggest the features recited in claim 1. There is no motivation or suggestion in Arai, Vazvan, O'Mahony et al., or a combination thereof for a transaction method method between a customer and a terminal connecting to a service center, where the transaction method corresponds to a pre-payment system in which a terminal checks the authorization of the customer prior to sending a transaction voucher to a server and the transaction voucher is transmitted to the server only if the customer is successfully authorized. It is not obvious for one with ordinary skill in the art to devise the claimed transaction method from the method disclosed by Arai, Vazvan, and O'Mahony et al.

Therefore, Applicants respectfully submit that Arai in view of Vazvan and O'Mahony fails to disclose, suggest or teach the features discussed above, individually or in combination, as recited in claim 1. Therefore, the Applicants respectfully request that the rejection of claim 1 under §103(a) be withdrawn.

Claims 2-21 and 23-26 depend from claim 1. Consequently, claims 2-21 and 23-26 are patentable at least for the reasons stated above with respect to claim 1 and for the addition features recited therein. Therefore, the Applicants respectfully request that the rejection of claims 2-21 and 23-26 under §103(a) be withdrawn.

In Section 5 of the Office Action, the Examiner rejected claim 20 under 35 U.S.C. §103(a) as being unpatentable over Arai in view of Vazvan and O'Mahony et al. as applied to claim 1 and further in view of Yacobi. The rejection is respectfully traversed. The combination of Arai, Vazvan, O'Mahony and Yacobi fails to teach or suggest all the features recited in rejected claim.

As stated above, the combination of Arai, Vazvan, and O'Mahony et al. fails to teach

or suggest all the features recited in claim 1. Yacobi does not remedy the discussed deficiencies. Yacobi merely teaches a combined usage of symmetrical and asymmetrical encryption for transmission of monetary information wherein the session key (symmetrical) is encrypted with the recipient's public key (asymmetrical). Combining Yacobi with Arai, Vazvan, and O'Mahony does not lead to a transaction method between a customer and a terminal connecting to a service center, where the transaction method corresponds to a pre-payment system in which a terminal checks the authorization of the customer prior to sending a transaction voucher to a server and the transaction voucher is transmitted to the server only if the customer is successfully authorized. Therefore, Arai, Vazvan, and O'Mahony et al. as applied to claim 1 and further in view of Yacobi fail to disclose, teach, or suggest at least the features discussed above, as recited in claim 1.

Claim 20 depends from claim 1. Consequently, claim 20 is patentable at least for the reasons stated above with respect to claim 1 and for the addition features recited therein. Therefore, the Applicants respectfully request that the rejection of claim 20 under 35 U.S.C. §103(a) be withdrawn.

In Section 6 of the Office Action, the Examiner rejected claim 26 under 35 U.S.C. §103(a) as being unpatentable over Arai in view of Vazvan and O'Mahony et al. as applied to claim 1 and further in view of Pitroda. The rejection is respectfully traversed. The combination of Arai, Vazvan, O'Mahony and Pitroda fails to teach or suggest all the features recited in rejected claim.

As stated above, the combination of Arai, Vazvan, and O'Mahony et al. fails to teach or suggest all the features recited in claim 1. Pitroda does not remedy the discussed deficiencies. Although Pitroda teaches an identity/UET card where transaction information can be recorded, Pitroda does not teach a transaction method in which a terminal checks the authorization of the customer prior to sending a transaction voucher to a server and the
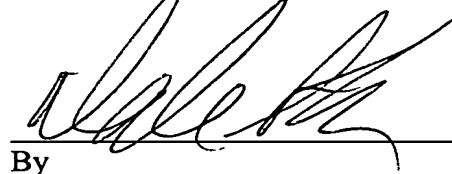
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transaction voucher is transmitted to the server only if the customer is successfully

authorized. Combining Pitroda with Arai, Vazvan, and O'Mahony does not lead to a

transaction method between a customer and a terminal connecting to a service center, where

the transaction method corresponds to a pre-payment system in which a terminal checks the

authorization of the customer prior to sending a transaction voucher to a server and the

transaction voucher is transmitted to the server only if the customer is successfully

authorized. Therefore, Arai, Vazvan, and O'Mahony et al. as applied to claim 1 and further in

view of Pitroda fail to disclose, teach, or suggest at least the features discussed above, as

recited in claim 1.

Claim 26 depends from claim 1. Consequently, claim 26 is patentable at least for the

reasons stated above with respect to claim 1 and for the addition features recited therein.

Therefore, the Applicants respectfully request that the rejection of claim 26 under 35 U.S.C.

§103(a) be withdrawn.

All objections and rejections having been addressed, it is respectfully submitted that

the present application is in condition for allowance and a notice to that effect is earnestly

solicited.

Respectfully submitted,

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